



Politicians call for new fuel economy rules Car requirements not changed in 15 years

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President Bush said last week that he wanted to *raise* the fuel economy of cars. The same day, his Transportation secretary asked Congress for authority to *reform* car fuel economy.

Environmentalists said they expected little improvement either way, while beleaguered automakers lamented that both were asking too much of them too soon.

What's going on? A combination of politicking and policymaking, which can be especially confusing when the federal fuel economy rules are involved.

Today, as Congress struggles to calm the gas price furor, a House hearing will examine whether regulators should be allowed to change the fuel economy rules for cars. Auto industry, labor and government officials will testify.

Even if Congress gave the National Highway Traffic Safety Administration power to change the rules immediately, it would be at least two years before new, more fuel-efficient models covered by them would be introduced.

"A lot of people are engaging in political posturing ahead of the midterm elections, but it's not clear that a lot of them are willing to do what it takes to actually help consumers," says David Friedman, the vehicle research director at the Union of Concerned Scientists.

It's been more than 15 years since mileage requirements for cars were changed. Bills are pending in the House and Senate to give NHTSA power to change them. The agency has been setting light truck mileage standards since 1979 but says it doesn't have the authority to do the same for cars.

Fuel economy rules set an average mileage rate that the fleets of cars and light trucks — SUVs, minivans and pickups — an automaker sells must meet. For cars, this Corporate Average Fuel Economy (CAFE) has been 27.5 miles per gallon since 1990. Truck fuel economy has gradually increased to 22.2 mpg for the 2007 model year.

Automakers are fined if they don't sell enough high-mileage vehicles or sell too many low-mileage ones. U.S. automakers tend to discount high-mileage vehicles so they don't

have to pay fines; European automakers pay millions each year in fuel economy fines.

Last month, NHTSA released a long-awaited reform of light truck rules, designed to improve fuel economy and minimize the risks when automakers make vehicles smaller for better fuel efficiency. The new truck CAFE system will be phased in by 2011 with rules that set different mileage numbers for different-size vehicles.

The agency wants to do the same thing to the fuel economy standards for cars.

The truck rules alone “will be a challenge for automakers, especially given the economic state of the industry,” says Gloria Bergquist, spokeswoman for the Alliance of Automobile Manufacturers.

But 10 state attorneys general filed suit Tuesday saying NHTSA didn't require big enough mileage increases or take the effects of fuel economy on the environment and global warming into consideration when setting the truck rules.

Reforming fuel economy rules will never please everyone, but some say now is the time to act: “This is the best option we have at the moment politically,” says former Indiana representative Phil Sharp, president of the environmental research group Resources for the Future and a witness at today's hearing.